

Message Text

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ACTION L-03

INFO OCT-01 ARA-06 EA-07 ISO-00 SP-02 USIA-06 AID-05 EB-07

NSC-05 CIEP-01 TRSE-00 SS-15 STR-04 OMB-01 CEA-01 H-02

PA-01 PRS-01 FRB-03 CIAE-00 INR-07 NSAE-00 USIE-00

INRE-00 NSCE-00 SSO-00 AGR-05 /083 W
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P R 132150Z APT 76

FM AMEMBASSY LIMA

TO SECSTATE WASHDC PRIORITY 9755

INFO USUN NEW YORK 734

AMEMBASSY TOKYO

C O N F I D E N T I A L LIMA 3456

FOR UNDER SECRETARY MAW; ARA - WILLIAM ROGERS; S/P - LUIGI EINAUDI
L/ARA - DAVID GANTZ; TREASURY - FRANK MARESCA

EO 11652: GDS

TAGS: EIND, EINV, EMIN, PFOR, PE

SUBJECT: MARCONA

REF: LIMA 3374

1. EMBASSY OFFICERS MET APRIL 12 WITH MARCONA REPRESENTATIVE
IN PERU, THOMAS KEHOE, ND STEPHEN COOK, MARCONA SHIPPING
CONSULTANT FROM SANFRANCISCO. DURING COURSE CONVERSATION,
KEHO CONFIRMED INFORMATION EMBOFFS HAD OBTAINED APRIL 9 FROM
JAPANESE CHARGE (SHIKAMA) THAT PERU HAS SIGNED TWO SALES CONTRACTS
WITH JAPANESE.

2. ACCORDING TO KEHO, CONTRACTS ARE WITH KOBE STEEL AND
NIPPON STEEL FOR SALE OF PELLETS AND SLURRY. (SHIKAMA WAS
UNDER IMPRESSION NEW JAPAN STEEL AND KOBE WERE INVOLVED AND THAT
CON-
TRACTS WERE FOR PELLETS ONLY.) KEHO ATTEMPTING DETERMINE
QUANTITIES OF PELLETS AND SLURRY INVOLVED. CONTRACTS RUN
THROUGH MARCH 1977.

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3. KEHOE ALSO CONFIRMED THAT PERUVIANS HAVE NOW PAID MARCONA FOR AT LEAST 95 PERCENT OF FREIGHT COSTS FOR FIRST FOUR SHIPLOADS--MARCONA MERCHANT, HELEN, EXPLORER, AND OWAI MARU. PAYMENT EXPECTED SHORTLY FOR FIFTH SHIP, BARBRO, WHICH HAS SAILED. EXPLORER WILL RETURN APRIL 25 FOR LOAD OF SLURRY, FOLLOWED BY SHINYU MARU ON APRIL 29 AND MAY SHINYU IN EARLY MAY. KEHOE DESCRIBED CURRENT MARCONA -CPV-HIERROPERU OPERATIONAL RELATIONS AS EXCELENT, AND NOTED THAT HE AND COOK PLAN MEET WITH CPV MORNING APRIL 13 TO MAINTAIN CLOSE CO-ORDINATION IN SHIPPING.

4. QUESTION OF USING MARCONA SHIPS FOR ARGENTINE PELLET SALES IS STILL OPEN, KEHOE SAID. ORIGINAL PLAN WAS TO USE PERUVIAN AND ARGENTINE BOTTOMS SHIPPING PELLETS ONE WAY AND RETURNING WITH ARGENTINE WHEAT FOR EPCHAP. HOWEVER, NEED FOR WHEAT IS SO PRESSING THAT SHIPS ARE GOING DOWN EVMPY FOR WHEAT, OPENING POSSIBILITY THAT PELLETS MIGHT BE SHIPPED IN PART AT LEAST BY MARCONA.

5. FINALLY, KEHOE NOTED THAT LATEST STOCK ESTIMATES FOR HIERROPERU WERE 130,000 TONS SINTER FEED, 2.1 MILLION TONS PELLETS, AND 400,000 TONS SLURRY.
DEAN

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*** Current Classification *** CONFIDENTIAL

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